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U.S. DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
BY:

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and

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Attorneys for Century 21 Real Estate LLC
f/k/a Century 21 Real Estate Corporation

Case No. 1:07CV0506

Plaintiff

In Re:

MARSHCO VENTURES, LLC and
BRAD VENEKLASE

Defendants.

 7/9/07 /

ANSWER TO COMPLAINT

Defendants MARSHCO VENTURES LLC and Brad Veneklasé answer as follows:

I. PARTIES AND SUBJECT MATTER JURISDICTION

1. Admit
2. Admit
3. Admit
4. Admit
5. Admit
6. Admit
7. Admit
8. Admit

II. ALLEGATIONS COMMON TO ALL CLAIMS

A. The Licensor

9. Admit
10. Admit
11. Admit

B. The Franchise Agreement between Century 21 and Pearson Cook

12. Cannot Admit or Deny
13. Cannot Admit or Deny
14. Cannot Admit or Deny
15. Cannot Admit or Deny
16. Cannot Admit or Deny
17. Cannot Admit or Deny
18. Cannot Admit or Deny % of ownership interest Admit I am the son of Patti Fore
19. Cannot Admit or Deny

C. The Royalty Fee Due Under Franchise Agreements

20. Cannot Admit or Deny
21. Cannot Admit or Deny
22. Cannot Admit or Deny
23. Cannot Admit or Deny
24. Cannot Admit or Deny

D. National Advertising Fund Contributions Under the Franchise Agreements

25. Cannot Admit or Deny
26. Cannot Admit or Deny
27. Cannot Admit or Deny

E. Other Amounts Due Under Franchise Agreements

- 28. Cannot Admit or Deny
- 29. Cannot Admit or Deny

F. The Guaranty

- 30. Cannot Admit or Deny
- 31. Cannot Admit or Deny
- 32. Cannot Admit or Deny
- 33. Cannot Admit or Deny

G. The Promissory Notes from Pearson and the Fores to Century 21

- 34. Cannot Admit or Deny
- 35. Cannot Admit or Deny
- 36. Cannot Admit or Deny
- 37. Cannot Admit or Deny
- 38. Cannot Admit or Deny
- 39. Cannot Admit or Deny
- 40. Cannot Admit or Deny
- 41. Cannot Admit or Deny
- 42. Cannot Admit or Deny
- 43. Cannot Admit or Deny
- 44. Cannot Admit or Deny
- 45. Cannot Admit or Deny
- 46. Cannot Admit or Deny
- 47. Cannot Admit or Deny
- 48. Cannot Admit or Deny

H. The Security Agreements

- 49. Cannot Admit or Deny
- 50. Cannot Admit or Deny
- 51. Cannot Admit or Deny
- 52. Cannot Admit or Deny
- 53. Cannot Admit or Deny
- 54. Cannot Admit or Deny
- 55. Cannot Admit or Deny
- 56. Cannot Admit or Deny
- 57. Cannot Admit or Deny
- 58. Cannot Admit or Deny
- 59. Cannot Admit or Deny
- 60. Cannot Admit or Deny
- 61. Cannot Admit or Deny

I. The District Court Litigation

- 62. Cannot Admit or Deny
- 63. Cannot Admit or Deny
- 64. Cannot Admit or Deny

- 65. Cannot Admit or Deny
- 66. Cannot Admit or Deny
- 67. Cannot Admit or Deny
- 68. Cannot Admit or Deny
- 69. Cannot Admit or Deny
- 70. Cannot Admit or Deny
- 71. Cannot Admit or Deny

J. Debtors Induce Century 21 to Refrain from Fully Executing on the Amended Consent Judgment and Terminating Pearson as a Century 21 Franchise

- 72. Cannot Admit or Deny
- 73. Cannot Admit or Deny
- 74. Cannot Admit or Deny
- 75. Cannot Admit or Deny

K. The Cessation of Operations by Pearson and the Transfer of Century 21's Collateral

- 76. Cannot Admit or Deny
- 77. Cannot Admit or Deny
- 78. Cannot Admit or Deny
- 79. Cannot Admit or Deny
- 80. Admit
- 81. Deny
- 82. Cannot Admit or Deny
- 83. Cannot Admit or Deny
- 84. Cannot Admit or Deny
- 85. Cannot Admit or Deny
- 86. Cannot Admit or Deny
- 87. Cannot Admit or Deny
- 88. Cannot Admit or Deny
- 89. Cannot Admit or Deny
- 90. Cannot Admit or Deny
- 91. Cannot Admit or Deny
- 92. Deny
- 93. Deny
- 94. Cannot Admit or Deny
- 95. Cannot Admit or Deny
- 96. Cannot Admit or Deny

L. The Termination of the Franchise Agreements and the Appointment of a Receiver

- 97. Cannot Admit or Deny
- 98. Cannot Admit or Deny
- 99. Cannot Admit or Deny
- 100. Cannot Admit or Deny
- 101. Cannot Admit or Deny

102. Cannot Admit or Deny

M. MARSHCO

103. Admit

104. Admit. Defendant is son of Patti Fore.

105. Admit

106. Admit. Accept allegation that both offices were formerly occupied by Pearson which is denied.

MARSHCO occupies 2 offices, one at 1550 East Beltline SE, Suite 375 and one at 4283 Lake Michigan Drive NW, Suite A.

Only the Lake Michigan Drive Office was a former Century 21 Pearson Cook Office.

107. Deny

108. Deny

109. Admit

110. Deny

111. Deny on transfer of assets, equipment and goodwill from Pearson.

Admit there was no consideration for listing agreements.

112. Admit

113. Deny – Patti Fore is an Independent Contractor not an employee

114. Deny – Timothy Fore is an Independent Contractor not an employee

FIRST COUNT-DE FACTO MERGER

115. Defendants incorporate by reference each and every paragraph in their answer.

116. Deny

117. Admit. However, there were no assets transferred from Pearson to Marshco.

118. Admit defendant, Veneklase, is the son of Patti Fore and the owner of Marshco. All other allegations are denied.

119. Deny

120. Deny

121. Deny

122. Deny

123. Deny

WHEREFORE, defendants request that “A Judgment of No Cause for Action” be entered.

SECOND COUNT – SUCCESSOR LIABILITY

124. Defendants incorporate by reference each and every paragraph in their answer.

125. Deny

126. Deny

- 127. Deny
- 128. Deny
- 129. Deny
- 130. Deny
- 131. Deny
- 132. Deny
- 133. Deny
- 134. Deny
- 135. Deny

WHEREFORE, defendants request that “A Judgment of No Cause for Action” be entered.

THIRD COUNT – TORTIOUS INTERFERENCE

- 136. Defendants incorporate by reference each and every paragraph in their answer.
- 137. Cannot Admit or Deny
- 138. Deny
- 139. Marshco denies the allegation. Veneklase knew Pearson-Cook was a franchisee of Century 21. Any other allegation is either admitted or denied.
- 140. Deny
- 141. Deny
- 142. Deny
- 143. Deny
- 144. Deny
- 145. Cannot Admit or Deny
- 146. Deny
- 147. Deny
- 148. Deny
- 149. Deny
- 150. Deny

WHEREFORE, defendants request that “A Judgment of No Cause for Action” be entered.

FOURTH COUNT – COMMON LAW CONVERSION

- 151. Defendants incorporate by reference each and every paragraph in their answer.
- 152. Deny
- 153. Deny

154. Deny

WHEREFORE, defendants request that "A Judgment of No Cause for Action" be entered.

FIFTH COUNT STATUTORY CONVERSION

155. Defendants incorporate by reference each and every paragraph in their answer.

156. Deny

157. Deny

158. Deny

WHEREFORE, defendants request that "A Judgment of No Cause for Action" be entered.

SIXTH COUNT – UNJUST ENRICHMENT

159. Defendants incorporate by reference each and every paragraph in their answer.

160. Deny

161. Deny

162. Deny

WHEREFORE, defendants request that "A Judgment of No Cause for Action" be entered.

RELIEF REQUESTED

Defendants Marshco and Veneklase request the case be dismissed and that they be awarded all of the costs, fees, and expenses incurred in the defense.

350llc 7/9/07
Bradley Veneklase

Marshco Ventures

By: 350llc 7/9/07
Bradley Veneklase, its member